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The United Nations in global economic governance

Report of the Secretary-General**

Summary

The present report was prepared in response to General Assembly resolution 71/327, entitled "The United Nations in global economic governance", in consultation with Member States and relevant organizations of the United Nations system.

Following the adoption in 2015 of landmark agreements, including the 2030 Agenda for Sustainable Development, the United Nations has played a role in contributing to norm- and standard-setting in support of global economic governance and advanced efforts to manage global economic challenges through multilateral approaches, in line with the demands of the 2030 Agenda. To achieve these objectives, the United Nations has strengthened its engagement with international institutions and pursued avenues to improve coordination and coherence in global economic governance. The Organization's efforts are based on the recognition that global economic governance is characterized by disparate arrangements and that all such efforts need to be channelled towards economic governance for the achievement of the Sustainable Development Goals.

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** The present report was submitted late in order to reflect the latest information.

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I. Introduction

1. In its resolution 71/327, entitled "The United Nations in global economic governance", the General Assembly requested the Secretary-General to submit a report including concrete options for closer interaction between the United Nations and intergovernmental groupings, to be prepared in consultation with Member States and relevant organizations of the United Nations system, taking into account the Sustainable Development Goals and the follow-up processes to all major United Nations conferences and summits in the economic, social and related fields, as appropriate. The present report is submitted in response to that request.

2. As mandated, the Secretary-General undertook wide-ranging consultations with Member States and relevant United Nations system entities, from which divergent views emerged.[1] With regard to trade, some Member States raised concerns over the increase in protectionist measures and the potential effects on the efforts of countries to advance sustainable development. With respect to the role of the United Nations in supporting global economic governance, some highlighted the fact that the United Nations plays an important role in the promotion of coherence and cooperation in support of the implementation of global agreements, including by contributing to the efforts of countries to address global challenges. Others saw the role of the United Nations in global economic governance as being limited to addressing matters that fall within the Organization's mandates. A number of Member States highlighted the importance of strengthening the voice of developing countries in global economic governance. Some countries also stressed the need to further align global economic governance arrangements with the 2030 Agenda for Sustainable Development.

3. This plurality of views is mirrored by the current structure of global economic governance arrangements. Global economic governance has been characterized by disparate arrangements, with norm-setting and policy coordination roles spread across a variety of global entities and arrangements. Through the adoption in 2015 of landmark agreements, including the 2030 Agenda, the international community underlined its commitment to jointly address global challenges. In the 2030 Agenda, it is fully acknowledged that national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems. In this context, strengthening coordination and coherence has become increasingly relevant in the pursuit of efforts to ensure that global economic governance arrangements are conducive to the achievement of the 2030 Agenda and related agreements.

4. The United Nations has played a role in contributing to norm- and standard-setting in support of global economic governance, including on a number of global challenges that require multilateral approaches to address them, such as aligning financing with the Sustainable Development Goals, harnessing science, technology and innovation for sustainable development, supporting countries in special situations, measuring progress through accurate, reliable and timely statistics, and readying the United Nations to most effectively achieve these objectives. The United Nations has also strengthened its engagement with international financial and trade institutions and pursued avenues to improve coordination and coherence in global economic governance, including through its engagement with the Group of 20.

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[1] The present report follows three previous reports of the Secretary-General on global economic governance and development (A/66/506, A/67/769 and A/71/378). A request was sent to Member States seeking their views on the issue, and contributions were received from relevant United Nations organizations. The contributions can be reviewed at www.un.org/esa/ffd/topics/global-economic-governance/geg-73ga.html.

II. Globalization and its implications for global economic governance

5. In an increasingly interconnected world, effective global economic governance arrangements are of critical importance for the success of efforts to achieve sustainable development in all countries. Since the world financial and economic crisis of 2008, efforts to strengthen global economic coordination have gathered momentum with the aim of avoiding the recurrence of such a crisis and continuing to promote global economic stability.

6. In this context, three narratives on globalization have received particular attention in the global discourse. First, the advancement of globalization has benefited some, while leaving others behind. Rising inequalities have been at the heart of this trend. While there are variations across regions, the gap between the richest and the poorest has been widening in the majority of countries. Between 1980 and 2016, the top 1 per cent richest individuals saw twice as much growth in their incomes as the bottom 50 per cent.[2] It is widely perceived that increases in inequality within countries have advanced in sync with globalization.

7. The unequal distribution of the costs and benefits of globalization is also reflected in the divergent progress in other areas of sustainable development, including access to health and education, the empowerment of women and environmental sustainability. This inequality of opportunity and outcome has eroded trust, especially in public institutions, fuelling alienation and stoking economic fears. Through a poll conducted in 2017, it was found that fears surrounding economic prospects had increased in many countries, with economic pessimism on the rise.[3]

8. In an increasingly interconnected world, people's perceptions of their economic well-being are closely connected to the perceived fairness, effectiveness and impartiality of economic governance arrangements. Imbalances and regulatory gaps, in particular at the global level, need to be addressed with renewed urgency. Global institutions have a key role to play in supporting Member States to achieve more balanced, equitable and sustainable growth that benefits all. To achieve this, policy coordination needs to be strengthened at the global level to support inclusive growth in the short term and sustainable development in the long term.

9. Second, shared global norms and standards remain fundamental to supporting the advancement of sustainable development. It is widely acknowledged that many of the challenges associated with globalization transcend national boundaries and that multilateral approaches are required to support Governments in addressing transnational problems. The recent international agreements, including the 2030 Agenda, the Addis Ababa Action Agenda of the Third International Conference on Financing for Development and the Paris Agreement under the United Nations Framework Convention on Climate Change, represent a strong normative framework and blueprint for addressing a wide range of global challenges, including rising inequalities, financial instability and the impacts of climate change.

10. Third, there is ongoing momentum with respect to strengthening the effectiveness of global institutions that deal with macroeconomic and financial stability, trade, finance and development in response to a changing global context. Institutional reforms are under way by many organizations, including the United Nations, to strengthen their effectiveness to deliver on the landmark global agreements. International institutions have also advanced their reforms by seeking to

[2] See Facundo Alvaredo and others, "World inequality report 2018", World Inequality Lab, 2017.
[3] Gallup International, "Happiness, hope, economic optimism: Gallup International's 41st annual global end of year survey", 2017.

adapt to the emergence of new global actors that challenge State-centric notions of governance.

11. Overall, these three narratives underline the importance of fostering multilateral approaches to support the advancement of sustainable development. To fulfil the mandates set out in the global agreements, renewed efforts are necessary to improve coordination and coherence in the dispersed global economic governance landscape and to arrive at a stronger, more coherent, more inclusive and representative international architecture for sustainable development.

III. Managing global economic challenges through multilateral approaches

12. In a highly globalized world, effective global economic governance should promote actions at all levels that advance sustainable development. Addressing challenges to global economic stability benefits all countries and requires inclusive, transparent and effective multilateral approaches. While national efforts are central to achieving sustainable development, many of the most urgent existing and emerging problems are common to many countries, transcend borders and cannot be addressed in isolation. Rather, joint action through common solutions to such challenges and an enabling international economic environment remain critical for the achievement of the 2030 Agenda.

13. The United Nations remains responsive to the diverse needs of Member States as they encounter obstacles to the implementation of the 2030 Agenda, many of which require strengthened global economic arrangements. The United Nations contributes to this by promoting dialogue, setting norms and standards and ensuring coherence in its operational work. Outlined below are selected challenges that are relevant to economic governance arrangements to which the United Nations, together with key partners, is promoting multilateral approaches, namely, financing the Sustainable Development Goals, harnessing the benefits of science, technology and innovation, supporting countries in special situations and measuring progress through strengthened statistics. A reformed United Nations that is better positioned to respond to the needs of Member States and take preventive approaches to global challenges will be critical in these efforts.

A. Aligning finance with the Sustainable Development Goals

14. Global economic governance arrangements that are conducive to supporting the 2030 Agenda could unlock resources and fill the sustainable development financing gap. The Addis Ababa Action Agenda provides a framework for action in a range of areas where effective governance measures can mobilize finance and align it with the Sustainable Development Goals. In that regard, the United Nations strongly advocates a financing system that helps to steer financial flows towards investments that generate greater inclusivity and sustainability.

15. Since 2015, the progress made in mobilizing resources for the 2030 Agenda has exposed some key obstacles. National and international economic and financial policies need urgently to be aligned with the 2030 Agenda. Doing so requires concerted efforts at the appropriate levels — national, regional and international — to mobilize and leverage all available resources in national and global economies. This is urgent for both public and private sources of financing given the immense scale of resources needed to achieve the Sustainable Development Goals.

Long-term investments

16. A stable global economy and financial system, aided by better alignment of incentive structures to promote the Sustainable Development Goals across the financial system, could help to support sustainable long-term investment. Existing incentives in the financial system encourage investment that is predominantly short-term oriented. This is at odds with the Sustainable Development Goals, which are integrated across economic, social and environmental dimensions and require the costs of longer-term risks, stemming from climate change, among others, to be factored into decision-making. Furthermore, long-term investment in sustainable development remains a relatively small proportion of total investments, and impediments to reaching countries with the greatest needs remain.

17. While national actions are critical, in particular with regard to institutions, the rule of law and regulatory frameworks, they need to be complemented by an enabling environment that encourages long-term, high-quality investments, in particular in developing countries. The financial system itself needs be made fit for purpose, which would require financial policymakers, central banks, stock exchanges, rating agencies and other relevant actors to support its alignment with the needs of the Sustainable Development Goals and the Paris Agreement. Financial regulation and policymaking need to be reoriented towards broader aims, such as access to long-term finance and a substantial increase in sustainable investment. The United Nations aims to work more closely with all partners, including central banks and financial regulatory bodies, to ensure that the impact of economic and financial policies on the 2030 Agenda are fully considered.

18. The significant momentum that has gathered around sustainable investment since 2015 could be built upon. Improved norms to encourage long-term sustainable development are critical, and the United Nations is actively working to support a better understanding of this issue in response to the lack of common definitions, standards and practices related to sustainable finance.

19. Systemic de-risking is also important for aligning and scaling up finance for the Sustainable Development Goals. The United Nations will continue to play its role in de-risking investments, in particular in developing countries in special situations, by supporting sustainable development, peace and security and humanitarian assistance. The effectiveness of the Organization's work in these areas should contribute to lowering policy and institutional risks for long-term investors.

International tax cooperation

20. Taxation is a key means of mobilizing domestic revenue to finance the Sustainable Development Goals, and many countries have made great strides in enhancing revenue administration through various measures. Efforts to strengthen progressive fiscal systems in line with the Addis Ababa Action Agenda can help to tackle inequalities. Taxes also offer incentives and can spur private investment towards the Goals. National experiences have demonstrated that medium-term strategies for tax system reform can help to drive the changes needed for more effective and efficient public financial management and service delivery.[4]

21. At the same time, large mobilization gaps remain, and the strengthening of international tax cooperation could help to support national efforts, especially in countries in special situations. In the Addis Ababa Action Agenda, it is stated that efforts in international tax cooperation should be universal in approach and scope and fully account for the different needs and capacities of all countries. In this regard, the

[4] See Inter-Agency Task Force on Financing for Development, *Financing for Development: Progress and Prospects 2018* (New York, United Nations, 2018).

Committee of Experts on International Cooperation in Tax Matters has a critical role to play in supporting the creation of norms and standards. The United Nations is also continuing its work within the Platform for Collaboration on Tax, an inter-agency joint effort with the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and the World Bank Group, to intensify cooperation on tax issues.

22. With respect to value-added tax (VAT), progress has been relatively quick. There is now broad consensus that VAT should, in principle, be paid where consumption takes place. This means that foreign enterprises that supply digital goods and services to a country's consumers should collect VAT from those consumers and remit it to that country's tax authority. A number of developed and developing countries have taken the lead on this, but the necessary changes have not been adopted by all, for reasons including a lack of capacity.

23. Progress has been much slower with respect to corporate taxation, where the internationally agreed rules that are incorporated into bilateral tax treaties still require some form of physical presence in a country before that country can gain the ability to tax. Digitalization is challenging this framework since physical presence is no longer needed to conduct substantial business activities within a country. There is a growing sense of urgency among many countries around this issue as the digital economy expands and adapts.

Illicit financial flows

24. There are also significant concerns regarding the detrimental impact of illicit financial flows, especially those caused by tax evasion, corruption and transnational organized crime. Developing countries are hit the hardest by illicit financial flows. As a result, the level of resources available for sustainable development is severely constrained. Policy dialogue on the promotion of international cooperation to combat illicit financial flows has advanced substantively, including in the General Assembly with the recent adoption of resolution 72/207.

25. Many of the reforms being discussed through international tax cooperation should contribute to the prevention of illicit financial flows. Improved sharing of good practices and closer collaboration on this issue should be stepped up at the United Nations and other relevant multilateral and international organizations, as appropriate. The Platform for Collaboration on Tax is an important initiative in support of these efforts.

26. The United Nations Convention against Corruption provides a set of norms and standards that could help to address the challenge of illicit financial flows. The United Nations Office on Drugs and Crime is providing important technical assistance to support the efforts of Member States in that regard, including on asset recovery.

B. Harnessing the benefits of science, technology and innovation

27. While the deployment of new technologies has the potential to support the 2030 Agenda and the action areas of the Addis Ababa Action Agenda, such as through digital finance and financial technology ("fintech"), many new technologies are posing a challenge to regulatory frameworks and authorities that aim to protect consumers and ensure that benefits are broadly shared.

28. Financial system regulation needs to take fintech into account. National regulatory authorities and international institutions could collaborate to develop international standards and practices for the use of fintech that maximize its potential

while addressing related risks.[5] To better understand how these benefits can be harnessed, the Inter-Agency Task Force on Financing for Development is examining the implications of fintech and the weightless economy on financial inclusion, access to finance and financial regulation to determine how to adapt related policies.

29. Dialogue among different regulatory authorities is also under way as part of the Financial Inclusion Global Initiative, led by the International Telecommunication Union, the World Bank Group and the Committee on Payments and Market Infrastructures of the Bank for International Settlements. One of the aims of this initiative is to enable national authorities in developing and emerging markets to harness the potential of digital technologies for financial inclusion and manage associated risks.

30. Analytical work produced by the United Nations is increasingly focused on the need to direct technological change and innovation towards inclusive and sustainable outcomes through public efforts, in collaboration with civil society, business and academia. The United Nations inter-agency task team on science, technology and innovation for the Sustainable Development Goals, convened by the Department of Economic and Social Affairs and the United Nations Conference on Trade and Development, and the United Nations 10-Member Group to support the Technology Facilitation Mechanism have been working towards assessing the impacts of exponential technological change on the Sustainable Development Goals. Their efforts have mobilized many scientists and experts, and their interim findings have fed into various forums, such as the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals, which facilitates interaction among relevant stakeholders on technology needs and gaps, as well as on the development, transfer and dissemination of relevant technologies for the Goals.

C. Supporting countries in special situations

31. Effective global economic governance can help to ensure that the diverse needs and challenges faced by countries in special situations are addressed. One specific concern that has been raised in this regard stems from the graduation of countries from concessional financing windows. International cooperation has proved to be critical in supporting the transition process for graduating countries. The international community could build upon these efforts, including through potential flexibilities that would allow countries access to appropriate sources of financing, depending on country needs and vulnerabilities.

32. With respect to the least developed countries, the United Nations system is assisting graduating countries by cataloguing the available sources of concessional funding and supporting access to private capital and investment, as well as by strengthening local capital markets. Some of these measures are reflected in the Support Measures Portal for Least Developed Countries. This resource is complemented by Gradjet, an online platform launched in 2018 by the United Nations for graduating least developed countries. The platform could be used by the Governments of such countries, as well as other stakeholders, such as United Nations system entities and multilateral and bilateral partners, to build and share information and knowledge on the graduation process and recommended activities at each stage.

33. Middle-income countries also face challenges in their exclusion from concessional windows, such as the "soft windows" of the multilateral development banks. In recognition of the fact that broader assessments of progress, beyond crossing per capita income thresholds, might be needed, numerous measures have

[5] Ibid.

been proposed or put in place to address these challenges. These include the inclusion by the International Development Association of the World Bank of a "small State exception" and other challenges in its multidimensional assessment of country contexts and needs, as well as the use by multilateral development banks of creditworthiness criteria based on the comprehensive macroeconomic picture within countries, factoring in debt risks and other aspects.[6] Improved knowledge-sharing and cooperation among the various actors involved with regard to opportunities for coordination and coherence could help to ensure that the diverse challenges faced by countries are effectively managed across the graduation processes.

D. Measuring progress through accurate, reliable and timely statistics

34. More and disaggregated data help to underpin effective global economic governance and will allow policymakers to make more informed decisions to better implement policies and programmes. For example, multiple indicators, including under Goals 10 and 17 of the Sustainable Development Goals, directly relate to and support the monitoring of global economic governance. Significant efforts are required to strengthen national statistical capacities, and such efforts should be coordinated and coherent.

35. The System of National Accounts, which has been adopted by the Statistical Commission, provides, together with related standards, the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles. Most recently, as mandated by the Statistical Commission, the Department of Economic and Social Affairs has been working together with partners, including the United Nations regional commissions and other organizations and international organizations, to facilitate the implementation of the System in Member States.

36. Enhancing the capacity of Member States to improve the compilation of their national accounts and supporting statistics will help them to improve the quality and reliability of those indicators for the Sustainable Development Goals related to economic statistics. Initiatives that have been undertaken include the resolution of research issues pertaining to the implementation of the System of National Accounts 2008, the provision of technical assistance to Member States, the organization of statistical capacity-building workshops and the completion of manuals, handbooks and guidelines.

37. With regard to the Group of 20 Data Gaps Initiative, the Department of Economic and Social Affairs is working, together with the other member organizations of the Inter-Agency Group on Economic and Financial Statistics, to implement recommendations on the regular collection and dissemination of reliable and timely economic and financial statistics for policy use in the Group of 20 economies. The recommendations are clustered under the following three main headings: (a) monitoring risk in the financial sector; (b) vulnerabilities, interconnections and spillovers; and (c) data-sharing and the communication of official statistics. The Inter-Agency Group was established in 2008 to coordinate statistical issues and data gaps highlighted by the global crisis and to strengthen data collection.

38. There is also a need to increase the understanding of globalization with respect to global value chains and trade in value added. As mandated by Statistical Commission, the Expert Group on International Trade and Economic Globalization Statistics is developing a handbook to provide a high-level overview of how economic statistics can be made more accurate and relevant in measuring the effects of

[6] Ibid.

globalization in national accounts and business statistics through a global value chain framework. The Expert Group consists of more than 30 experts in the fields of national accounts and business statistics from national and international statistical organizations. The handbook will complement other initiatives undertaken at the regional and international levels, such as the extensive work under the Trade in Value Added project of OECD and the World Trade Organization (WTO) and the Eurostat Full International and Global Accounts for Research in Input-Output Analysis project and framework regulation integrating business statistics.

39. The global indicator framework for the Sustainable Development Goals was developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators, under the auspices of the Statistical Commission, and adopted by the General Assembly in its resolution 71/313. The indicator framework addresses all the Goals and targets, including means of implementation.

E. Readying the United Nations

40. Global economic governance arrangements that support the achievement of the Sustainable Development Goals require relevant international organizations to provide coherent and coordinated support to Member States, as appropriate. The Secretary-General is undertaking a comprehensive reform of the United Nations to provide effective normative guidance and a strong institutional framework to support Member States in implementing the 2030 Agenda. This vision puts sustainable development at the heart of the Organization's work by ensuring that its efforts towards development, peace and security and human rights reinforce each other and deliver results for the people it serves, leaving no one behind.

IV. Engagement with international financial and trade institutions

41. The momentum has been built since 2015 for strengthened engagement of the United Nations with international financial and trade institutions, including the Bretton Woods institutions. Such efforts have been made in the context of institutional reforms undertaken to more closely align organizational structures with the imperatives of advancing sustainable development, in accordance with each organization's specific mandates.

42. IMF has implemented quota and governance reforms under the fourteenth General Review of Quotas. As part of this reform, quota shares have shifted from overrepresented to underrepresented member countries. The World Bank has advanced a set of reforms to enhance the voice and participation of developing and transition countries in the World Bank Group, notably through an increase in voting power, and realigned shareholding in line with economic weight and development contributions. While some countries have called for institutional reform of the WTO system, no consensus has been reached on reform efforts. WTO itself has, however, taken steps to more closely align its operations with global development objectives, recognizing the role of trade in achieving the Sustainable Development Goals.[7]

43. Reforms to financial system oversight have been advanced to address existing regulatory gaps and misaligned incentives in the international financial system that emerged in the wake of the world financial and economic crisis of 2008. The Financial Stability Board and the financial regulatory standard-setting bodies monitor the

[7] See World Trade Organization, *Mainstreaming Trade to Attain the Sustainable Development Goals* (Geneva, World Trade Organization, 2018).

implementation of post-crisis regulatory reforms, as well as the impact of reforms on financial intermediation. Several systems are currently in place that aim to promote macroeconomic stability and mitigate risks, including early warning systems, macroeconomic policy coordination and global standards for regulation of the financial system. The main international process for monitoring vulnerabilities in the global financial system is undertaken jointly by IMF and the Financial Stability Board, the latter being focused primarily on financial markets and institutions.[8]

Supporting the achievement of the 2030 Agenda

44. The United Nations has stepped up its engagement with key stakeholders in support of the coherent and effective implementation of the 2030 Agenda.

45. A concrete example of collaboration is the engagement of major stakeholders in the Inter-Agency Task Force on Financing for Development, which is mandated to follow up on the Addis Ababa Action Agenda by reporting annually on progress in implementing the Agenda and other financing for development outcomes and on the means of implementation of the 2030 Agenda, as well as by advising the intergovernmental follow-up process on progress, implementation gaps and recommendations for corrective action. Among the 58 members of the Inter-Agency Task Force are the World Bank Group, IMF, WTO, the United Nations Conference on Trade and Development and the United Nations Development Programme (UNDP), with the Department of Economic and Social Affairs acting as the coordinator. In addition to these major institutional stakeholders in the area of financing for development, the Inter-Agency Task Force includes agencies such as the Basel Committee on Banking Supervision, the Financial Stability Board and OECD.

46. To strengthen coordination and coherence on a number of priority issues for the implementation of the 2030 Agenda, the United Nations and the World Bank Group have stepped up collaboration through the United Nations-World Bank Group Strategic Partnership Framework for the 2030 Agenda, signed in May 2018. The partnership initiatives encompass effectively mobilizing finance and implementation capacity for the Sustainable Development Goals, including climate finance; improving implementation through joint initiatives and local capacity-building; supporting action at the nexus between peacebuilding, humanitarian action and development assistance; and collecting and utilizing data in a way that supports greater targeting for development impact.

47. In the area of peace and security and sustainable development, the "Pathways for peace" report of United Nations system entities and the World Bank represents a joint approach to strengthen engagement on critical issues of global importance, drawing upon the comparative advantages and complementary mandates of different institutions. IMF has undertaken efforts to strengthen its policy work with fragile and conflict-affected States. In line with the Addis Ababa Action Agenda, IMF has also expanded its macroeconomic policy advice and technical assistance to help countries to tackle infrastructure gaps.

48. Efforts have been advanced to bring together the expertise of key actors, including the private sector, civil society and academia, as well as the World Bank and IMF, to tap the potential of the data revolution for monitoring progress towards the Sustainable Development Goals. A concrete example of such efforts is the joint initiative of UNDP, the United Nations Children's Fund and the World Bank to support the monitoring and reporting of national multidimensional poverty in the

[8] See Inter-Agency Task Force on Financing for Development, *Financing for Development: Progress and Prospects 2018*.

ontext of the Goals. Building upon such initiatives, further efforts are needed to harmonize approaches to measure critical indicators at the global level.

49. In the financing for development sphere, the United Nations and the World Bank Group have strengthened coherence and coordination in assisting countries to build enabling environments, obtain access to transformational finance and scale up proven solutions. In mobilizing resources for sustainable development, multilateral development banks can play a critical role in supporting the implementation of the 2030 Agenda by providing long-term concessional and non-concessional financing for public good investments, including in areas of the Sustainable Development Goals such as sustainable and resilient infrastructure, innovation and lending to micro-, small and medium-sized enterprises. To advance climate action, the United Nations and the World Bank have been supporting countries through the Nationally Determined Contributions Partnership to support the implementation of country-specific nationally determined contributions.

50. Where gaps remain, further efforts are needed to strengthen collaboration and engagement among major actors in global economic governance. The United Nations and international and regional financial institutions could step up their collaboration in the field of disaster risk reduction and financing, as disaster risk and the economic losses from disasters are increasing. To support vulnerable countries in optimizing their capacities to mitigate and manage disaster and climate risks, the United Nations has been working closely with the World Bank and others to implement flagship initiatives, such as the Global Preparedness Partnership and the Insurance Development Forum.

V. Coordination and coherence in global economic governance

51. Consistent with the requirements of the new development agenda and the mandates of the General Assembly, the United Nations has been strengthening its engagement with intergovernmental groupings that make policy recommendations or take policy decisions with global implications, in order to support coordination and coherence in the push to advance sustainable development.

52. The United Nations has also sought to strengthen its engagement with its regional partners that have been key players in the dispersed global economic governance space, with the aim of supporting global economic governance on matters pertaining to the achievement of the 2030 Agenda. Recent initiatives to strengthen cooperation include the African Union-United Nations Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development. To strengthen coordination in line with the demands of the 2030 Agenda, the United Nations has also increased its engagement with other regional partners, including the Caribbean Community, the European Union and the Association of Southeast Asian Nations (ASEAN). The plan of action to implement the Joint Declaration on Comprehensive Partnership between ASEAN and the United Nations for 2016–2020 was adopted at the ASEAN-United Nations Ministerial Meeting in 2016. Examples of joint work plans that have been developed under the plan of action include the joint strategic plan on disaster management for 2016–2020 and the ASEAN-United Nations environment and climate change action plan for 2016–2020.

A. Engagement with the Group of 20

53. The Group of 20 maintains close relationships with international organizations, including the United Nations. International organizations, at the invitation of the Group, provide expert advice on matters within their competence. United Nations

engagement with the Group is firmly anchored in development. In fact, development has been on the Group's agenda for more than a decade, in line with its original mandate to promote stable and sustainable world economic growth that benefits all. Over the years, the Group has embraced an incrementally growing agenda, with increasing involvement in multilateral issues where the United Nations plays a central role.

54. Overall, the engagement of the United Nations with the Group of 20 has increased steadily since the elevation of the Group to a summit of leaders in 2008. Such engagement takes place at various levels. At the intergovernmental level, United Nations intergovernmental bodies, processes and forums provide a platform for the Group to interact with countries that are not members of the Group. Presidencies of the Group regularly give briefings to the General Assembly before and after the Group's summits. Under recent presidencies, new channels have been explored to interact with countries that are not members of the Group at the United Nations. For example, under the German and Argentine presidencies, special events were organized during the high-level political forum on sustainable development to share the work of the Group on sustainable development.

55. In addition, the Secretary-General has participated in all Group of 20 summits since 2008. The Secretary-General is represented by the Under-Secretary-General for Economic and Social Affairs on the Group's Sherpa track and by the Administrator of UNDP on the finance track. United Nations entities also support the work of working groups and task forces of the Group at the invitation of presidencies of the Group. In these contexts, the United Nations has consistently focused on mobilizing greater attention to global development challenges and the needs of the most vulnerable countries and populations. The United Nations has also strongly advocated forward-looking policies and approaches towards sustainable, inclusive and equitable growth.

56. Since the adoption of the 2030 Agenda, sustainable development has been the central topic of engagement between the United Nations and the Group of 20. The Group and its members, accounting for 85 per cent of the world economy and 66 per cent of population, play a leading role in the implementation of the 2030 Agenda. The United Nations has served as the main "port of call" for the Group for advice on aligning its work with the 2030 Agenda. In 2016, the Group's leaders, under the Chinese presidency, adopted an action plan on the 2030 Agenda, which, for the first time, mainstreamed the universal agenda agreed under the auspices of the United Nations into the work of the Group. Under the German presidency, the leaders further committed to lead the way towards sustainable development and to align actions with the 2030 Agenda and the Addis Ababa Action Agenda.[9]

57. The adoption, under the German presidency, of the Hamburg Update was a first step towards putting the action plan into practice. Under the current Argentine presidency, the Group is pursuing work under the theme of "Building consensus for fair and sustainable development". Many work streams of the Group also have a strong link with sustainable development. The United Nations has been instrumental in facilitating the design and development of the Group's action plans, their updates and work streams in relation to sustainable development.

58. A strategy for United Nations engagement with the Group of 20 has been developed. The aim of the strategy is to promote a more strategic and coordinated approach to engagement between the United Nations and the Group. It is envisaged that more coherent and visible United Nations messaging on issues of relevance to

[9] See Leaders' Declaration adopted by the Group of 20 at its summit held in Hamburg, Germany, on 7 and 8 July 2017.

the Group that are within the competence of the United Nations will be achieved through the implementation of the strategy. Towards that objective, the strategy sets out the framework for how the United Nations system will collaborate and further improve engagement, including working mechanisms. The growing breadth and depth of the Group's work and the implications thereof for the implementation of United Nations agendas might, however, necessitate a deeper form of interaction.

B. Cooperation with the African Union

59. Building upon the long-standing cooperation between the two organizations, the leaders of the United Nations and the African Union signed the Framework for the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development in January 2018, stressing the importance of partnerships in accelerating the transformation of Africa.

60. The aim of the Framework is to provide a harmonized and integrated approach to the implementation of the two agendas so as to minimize duplication, optimize the use of resources and mobilize the support of domestic and external stakeholders and development partners. The Framework promotes an integrated approach to implementing the 2030 Agenda and Agenda 2063, underpinned by an integrated financing mechanism that minimizes duplication, leverages economies of scale and optimizes the use of resources. The African Union and the United Nations are working together to implement the Addis Ababa Action Agenda as the key financing framework for the 2030 Agenda, with the aim of jointly identifying additional sources of financing and designing bankable projects.

61. In the light of the comparative advantages and mandates as well as the integrated nature of the 2030 Agenda and Agenda 2063, the African Union and the United Nations are seeking to jointly advance efforts to implement activities and programmes for the inclusive, broad-based and sustainable development of Africa. The activities and programmes prioritized under the Framework, subject to their relevant mandates and the availability of funds and resources, are included in the relevant workplans of the African Union and the United Nations and are implemented in accordance with their rules and procedures, especially the mandatory review processes.

VI. Conclusions

62. There are diverging views among Member States on approaches to global economic governance. Current arrangements in global economic governance are disparate, with norm-setting and policy coordination roles spread across a variety of global entities and arrangements.

63. Nevertheless, effective global economic governance is crucial to making progress on the 2030 Agenda at all levels. With global challenges such as rising inequality posing systemic risks, it is becoming more apparent that inclusiveness and sustainability must be important considerations in global economic governance.

64. In that regard, the United Nations, together with partners, contributes through its role in promoting multilateral approaches to global challenges through policy dialogue, norm- and standard-setting and related work. Through its normative work, policy analysis and operational activities, the United Nations fosters coherence and cooperation in support of the implementation of global agreements, including by contributing to the efforts of countries to address global challenges. Only within such an international environment can the objective of global economic governance be achieved. Although it is not a global economic decision-making body, the United

Nations has important contributions to make to global economic governance, including helping to create an enabling environment and orienting global economic policymaking towards longer-term, shared prosperity and sustainability.

65. Concrete steps have already been taken to closely align the set-up of international financial and trade institutions with global economic realities and the imperatives of sustainable development. Future efforts should focus on building consensus around further steps needed to strengthen international finance and trade to act as catalysts for inclusive, equitable and sustainable growth and ensure that no one is left behind. In addition, relevant United Nations intergovernmental processes are encouraged to consider options to engage other intergovernmental groupings more effectively in their policy dialogue and decision-making.